

# n<sup>o</sup>rthend

**BUSINESS ASSOCIATION**

November 7, 2016

Dear Members of the Law Amendment Committee;

I am here today on behalf of the North End Business Association, representing 250 commercial properties and over 400 businesses in the north end of Halifax. The majority of the businesses I represent are small, locally owned operations, including a number of businesses where the operators still own the buildings they work out of.

The North End, like many mainstreet commercial districts in the Halifax Regional Municipality and throughout the province, is where small businesses locate. They are attracted to areas like the North End because of smaller, more affordable commercial spaces; a sense of community or place; and/or the critical mass of other businesses that together make the area a destination for people looking for goods and services. Mainstreet districts are integral to the communities they serve and are also being recognized as essential structures for creating more walkable, transit friendly neighbourhoods; nurturing the local economy; and adding life and vibrancy to our city. They are, in essence, the types of areas we want to see more of; the types of areas we want to see succeed and flourish. The types of places great urbanists, like Jane Jacobs, site as important contributors to healthy, sustainable, resilient urban centres.

The importance of mainstreet and central business districts is reflected in Halifax's Regional Plan, and recently drafted Centre Plan. However, the city's current tax system does not align with the goals and visions outlined in these documents. Instead, areas where small business growth and development is desired are the areas being hardest hit by massive assessment hikes — driven primarily by a real estate market that has little to no connection to what is happening in the local economy; as well as a structural issue with the city tax system where there is no connection to cost to service and no accounting for the massive differences in land values — particularly with the less expensive-higher cost to service greenfield development. This is having a serious impact on property taxes in mainstreet and central business districts, which has resulted in an unlevelled playing field between different areas of the city and different business classes.

Bill 52 is an essential piece of legislation that would allow Halifax to set differentiated tax rates. Differentiated tax rates will enable the city to more equitably distribute the tax burden, as well as use property taxes as a tool for supporting the type of development it would like to encourage.

In this spirit, the North End Business Association would like to go on record as supporting Bill 52, with the exception of clause (2)(b). We do not believe frontage is an effective method taxation, and could result in further inequity. We are therefore asking for an amendment to item number (2)(b) to have it change from "*set different commercial tax rates for commercial property located in areas of the Municipality designated by Council, based on the length or proportion of frontage of a property on a street, including a private road;*" to

*"set different commercial tax rates for commercial property located in areas of the Municipality designated by Council, based on the square footage of property, and/or square footage of building."*

We believe square footage of property and/or building is a more relevant measure for taxation, as the size of the building and lot reflect the use better than frontage, which could be easily manipulated.

We also ask that the Bill be passed and proclaimed as quickly as possible to enable Halifax Regional Municipality to commence work on the next phase taxation reform. The tax issues we speak of are affecting small businesses as we speak, and there is a real need to act now.

I would like to thank the Members of the Law Amendment Committee for listening to me this morning. And I would also like to thank all the elected members of the provincial government who have taken the time to understand this issue and support this Bill coming forward. I believe an economically successful and resilient city is in the best interest of all of Nova Scotia, and will require continued cooperation between the province and city. This is great step forward in what we hope will be a positive new direction.

Sincerely,

A handwritten signature in black ink, appearing to read 'Patricia Cuttell', followed by a period. The signature is fluid and cursive.

Patricia Cuttell  
Executive Director